

Request for Council Action

Originator Purchasing	Item Regular and Treated Road Salt - Approve Purchase
Agenda Section Consent Business	Date 9/12/2016
Description	

Council is requested to approve the purchase of regular and treated road salt for de-icing roads during the 2016/2017 winter season. Regular road salt is available under State of Minnesota Contract #77774 from Cargill, Inc. at a contract price of \$65.12 per ton, a 5% decrease. The 2015/2016 contract price was \$68.55 per ton.

Treated road salt is available under State of Minnesota Contract #77778 from Cargill, Inc. at a contract price of \$78.35 per ton, a 5% decrease. The 2015/2016 contract price was \$82.47 per ton.

Prior to bidding these contracts, the State of Minnesota requested participating cooperative purchasing (CPV) members to submit their quantity requirements for the upcoming contract season. Bloomington's requirements for 2016/2017 are 1,000 tons of regular and 4,500 tons of treated salt. The provisions of these contracts require the CPV members to purchase a minimum percentage of their submitted quantities. Contract Vendors in turn must guarantee to supply a maximum additional percentage of the submitted quantities at the awarded contract price. Based on these contract provisions and the unit prices, the maximum expenditure for both regular and treated salt under this contract would be approximately \$501,234.00.

Note: Actual quantities for 2015/2016 were 2,265 tons of regular salt and 3200 tons of treated salt for a total expenditure of \$419,142.11

Funding for this expenditure is budgeted in the 2016 Street Maintenance Budget, Activity 165405-51990.

Item created by: Heather Boettcher
Presenter: Karl Keel

Requested Action

Approve the purchase of up to 1200 tons of regular road salt at cost of \$65.12 per ton under State of Minnesota Contract #77774 and up to 5,400 tons of treated road salt at a cost of \$78.35 per ton under State of Minnesota Contract #77778 from Cargill, Inc.

Attachments: